

6 FAH-5 H-220 KEY ICASS PLAYERS

(CT:ICASS-5; 07-21-2006)
(Office of Origin: RM/ICASS)

6 FAH-5 H-221 ICASS PLAYERS IN WASHINGTON

6 FAH-5 H-221.1 ICASS Executive Board

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

- a. The ICASS Executive Board (IEB) is the highest-level ICASS policy-making body. It is composed of senior representatives of cabinet-level agencies and chaired by the Assistant Secretary of State for Administration (A). The board meets four times a year. Its role is to review and establish policy for ICASS, exercise proactive leadership in addressing worldwide administrative service improvements and cost reductions, and serve as the final court of appeal for ICASS disputes.
- b. Criteria for membership on the ICASS Executive Board which is limited to 17 members:
 - (1) Subscribe to a level of services equal to invoices for at least one percent of the prior year's final worldwide ICASS invoiced amount;
 - (2) Participate in the IEB and ICASS Working Group (IWG) on a regular basis; and
 - (3) Apply for membership by submitting a request to the IEB Chair.
- c. To continue IEB membership, charter members must:
 - (1) Continue to have a presence abroad; and
 - (2) Continue to participate regularly in IEB and IWG meetings and activities.

6 FAH-5 H-221.2 ICASS Working Group

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The interagency ICASS Working Group (IWG) is comprised of representatives of all agencies represented on post ICASS councils and headed by a chairperson elected annually by consensus. The chairperson sets the IWG agenda, convenes the meetings, and follows up on issues as necessary. The IWG meets at least monthly in close consultation with the ICASS service center (RM/ICASS) to address policy issues and problems of common concern.
- b. Committees of the IWG are formed to study various issues and report to the IWG. All committees include agency representatives and/or staff. Standing committees of the IWG are formed to focus on general priority areas such as training, budget, personnel, technology, and awards. Ad hoc committees of the IWG are formed to study specific issues.
- c. The IWG keeps the ICASS Executive Board (IEB) informed on ICASS issues, resolves issues as raised by posts or agencies, makes policy as delegated by the IEB, and presents policy issues for board decision/ratification. The ICASS Service Center (RM/ICASS) serves as the secretariat for the IWG.

6 FAH-5 H-221.3 ICASS SERVICE CENTER

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The ICASS Service Center (ISC) coordinates worldwide ICASS operations in its role as secretariat to both the ICASS Executive Board (IEB) and the ICASS Working Group (IWG). It is a permanent, interagency-staffed and funded office. For organizational purposes, it is located in the Bureau of Resource Management (RM/ICASS) in the Department of State.
- b. The ISC incorporates safeguards in the coordination of ICASS responsibilities to assure transparency, multi-agency participation, fair allotment of funds to post councils, and integrity of funds control. These principles are fundamental to ICASS. The intent is to assure that local empowerment is not compromised. The ISC has no policy-making responsibilities; these remain with the IEB and IWG.
- c. Common responsibilities of ISC staff include the following:
 - (1) General management:
 - (a) Provide financial services and customer assistance in post ICASS operations;

- (b) Provide support to ICASS Working Group committees as necessary;
 - (c) Communicate authoritative policy to ICASS members and to the field on ICASS matters as established by the IWG and IEB;
 - (d) Produce macro-level budget/financial analyses;
 - (e) Provide ICASS implementation guidance;
 - (f) Coordinate forward planning efforts;
 - (g) Act as ICASS ombudsman;
 - (h) Host and facilitate periodic meetings of the IWG and the IEB;
 - (i) Establish performance measures for the ISC;
 - (j) Respond to Congressional inquiries through appropriate channels;
- (2) Financial services:
- (a) Receive and review budget submissions and resolve outstanding issues;
 - (b) Coordinate budget hearings;
 - (c) Monitor billing and collection functions, and approve allotment recommendations to posts;
 - (d) Manage dispute resolution process;
 - (e) Analyze and report on data contained in the ICASS global database;
 - (f) Monitor ICASS working capital fund accounts and resolve problems;
- (3) Customer services:
- (a) Prepare reporting/informational cables to the field and periodic ICASS newsletters;
 - (b) Develop and maintain the ICASS Web sites and electronic discussion groups;
 - (c) Develop, coordinate and deliver ICASS training to customers, service providers, local councils, IWG members, and their headquarters agency personnel;
 - (d) Based upon interactions with posts, identify best practices and/or areas for improvement to the IWG;
 - (e) Develop and maintain knowledge base (i.e., policies, official minutes, meeting schedules, and member lists, etc.) for IEB

and IWG functions;

- (f) Manage ICASS awards program;
- (4) Information technology (IT) services:
 - (a) Develop, monitor, and maintain ICASS software products and create software-training materials;
 - (b) Coordinate software integration with service-provider agencies;
 - (c) Serve as help desk and troubleshooter for various ICASS software products;
 - (d) Design, test, implement, manage and maintain software systems and processes that incorporate the ICASS cost-distribution method;
 - (e) Design, test, implement, manage and maintain all global database systems and processes for ICASS, financial service centers, regional and alternate service-provider budgets;
 - (f) Make available standard ICASS global database reports for customer access;
 - (g) Assist customers in the connection to and use of the budget software and global database;
 - (h) Responsible for planning and presenting at the annual ICASS budget workshops;
 - (i) Work with the IWG on policy issues that affect the design and process of the cost-distribution systems;
 - (j) Work with the Information Technology Committee in the research and development of systems designed to improve the delivery of ICASS services;
 - (k) Conduct annual technical reviews of ICASS systems (participants include users of the system locally and abroad).

6 FAH-5 H-221.4 Key Customer Representatives

6 FAH-5 H-221.4-1 Assistant Secretaries, Participating Agencies

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

Participating agencies are each represented by senior management staff to provide agency representation in overall policy reviews and decisions as a member of the ICASS Executive Board (IEB). In this role, members of the

ICASS Executive Board provide guidance to his or her chief financial officers for preparation of ICASS portions of their Congressional justifications.

6 FAH-5 H-221.4-2 Participating Agency Chief Financial Officers (CFOs)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The chief financial officer of each participating agency directs, manages and provides policy guidance and oversight of his or her agency's financial management activities and operations, including preparation of agency Congressional budget justifications to include funding of ICASS participation worldwide.

6 FAH-5 H-221.4-3 Regional Bureau Assistant Secretaries, Department of State

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

State Department regional bureau Assistant Secretaries provide overall direction, coordination, and supervision of interdepartmental activities of the U.S. Government in countries within their respective regions. Regional bureaus recommend human resources, infrastructure, and funds for effective operation of post ICASS installations.

6 FAH-5 H-221.4-4 Functional Bureau Assistant Secretaries, Department of State

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Functional bureaus of the Department of State include such bureaus as the bureaus for Arms Control, Consular Affairs, International Narcotics and Law Enforcement Affairs, and others. Employees of these bureaus assigned abroad are ICASS recipients. The Assistant Secretaries of functional bureaus therefore monitor ICASS direction, activities, policies and costs as they relate to functional activities and approve the expenditure of bureau funding.

6 FAH-5 H-221.5 Key Service Providers

6 FAH-5 H-221.5-1 Assistant Secretary for Administration, Department of State (A)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The Assistant Secretary for Administration chairs the ICASS Executive Board (IEB), establishes performance measures for the ICASS Working Capital Fund (WCF) in conjunction with the Chief Financial Officer and ICASS Executive Board, and manages Bureau of Administration ICASS support. Bureau of Administration support to ICASS operations abroad includes operational, logistical, procurement, and telecommunications functions.

6 FAH-5 H-221.5-2 Chief Financial Officer (CFO), Department of State

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The State Department Chief Financial Officer (CFO) exercises management and financial oversight of the Working Capital Fund (WCF), including the ICASS component defined by the fund symbol 19X4519.1. In conjunction with the Assistant Secretary for Administration, ICASS Executive Board (IEB) and Interagency Working Group (IWG), the CFO establishes performance criteria for assessing the ICASS component of the WCF and recommends to the ICASS Executive Board what costs should be included in collections from participating agencies. The CFO is responsible for ensuring that collections are consistent with Congressional direction for full-cost recovery.
- b. All financial management policy and controls for effective management of the Working Capital Fund (WCF) are established by the CFO, i.e., allotment, operating allowances, billing, collection, and reconciliation of accounts. In this role, the CFO is responsible for ensuring that adequate automated financial systems are in place to produce reliable and timely financial information; for developing useful financial analysis and performance reports; for assuring audits are performed on WCF activities; and for preparation of WCF financial statements.

6 FAH-5 H-221.5-3 Director General of the Foreign Service and Director of Human Resources, Department of State (M/DGP)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The Office of the Director General (M/DGP) is responsible for assigning State Department employees abroad including State ICASS personnel (HR/EX).

6 FAH-5 H-221.5-4 Assistant Secretary for Diplomatic Security, Department of State (DS)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The Assistant Secretary for Diplomatic Security (DS) heads the Bureau of Diplomatic Security in formulating policy on worldwide security programs for the Department and the foreign affairs community serving under the authority of the Chief of Missions and the management of security services abroad including the local guard program, residential security, and employee background checks. DS reviews and recommends annual nonresidential local guard program budget allocations. DS provides direction on the delivery of ICASS security services and identifies and assigns regional security officers to post. However, not all security services are included in ICASS. Please refer to 6 FAH-5 H-223.3 Regional Security Officers (RSO) for more details.

6 FAH-5 H-221.5-5 Chief Information Officer, Department of State (M/CIO)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The State Department's Chief Information Officer is responsible for establishing and promulgating policies, plans and programs in support of information systems including ICASS information management abroad. This includes the funding, design, acquisition, and operation of the information technology architecture of the Department of State and its interface with other U.S. Government agencies and the commercial sector. Posts remain primarily responsible for funding personal computer-related hardware, LANs, and software through ICASS, Program and Public Diplomacy allotments, and in accordance with worldwide standards.

6 FAH-5 H-221.5-6 Director, Foreign Service Institute, Department of State (FSI)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The Director of the Foreign Service Institute (FSI) is responsible for development of the foreign affairs training program for foreign affairs agencies in Washington and select functional and language programs abroad. FSI training includes ICASS training for service providers, inter-agency recipients and managers, as well as ICASS budget officials.

6 FAH-5 H-221.5-7 Regional Bureau Executive Directors

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Regional bureau executive directors provide overall direction for administrative and management activities for their regional bureau and for State Department components of Foreign Service posts in the region, including participation in ICASS. They develop and execute programs in support of substantive policy decisions, provide support to posts in management of ICASS functions, evaluate services received by State, and review and approve annual post ICASS budget allocations. Bureau personnel evaluate ICASS post costs against available bureau funds, prepare the bureau portion of the Department of State ICASS budget submission, and recommend changes in ICASS operations to enhance achievement of overall ICASS objectives.

6 FAH-5 H-221.6 Inspector General, Department of State (OIG)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The Office of the Inspector General audits Department of State annual financial statements, including the Working Capital Fund, and reviews aspects of ICASS operations during post inspections. OIG recommendations are reviewed and often integrated into post, bureau and ICASS service center management of ICASS operations.

6 FAH-5 H-221.7 Director, Overseas Building Operations, Department of State (OBO)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Overseas Building Operations (OBO) directs the worldwide buildings program for the Department of State and the U.S. Government community serving abroad under the authority of the chiefs of mission. OBO reviews and recommends ICASS Residential and Nonresidential shared properties annual funding budget allocations for posts.

6 FAH-5 H-222 ICASS PLAYERS AT POST

6 FAH-5 H-222.1 Chief of Mission (COM)

6 FAH-5 H-222.1-1 COM Management Authority

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Chief of mission (COM) support of ICASS operations at post is critical to the success of ICASS performance and objectives. COMs have the ultimate responsibility to ensure that ICASS objectives are met. COM communication and consensus building are key to successful management of ICASS, either directly or through the deputy chief of mission as the ambassador's ex-officio representative on the ICASS council. As councils take consensus action to reallocate resources to meet customer priorities, shape the administrative workforce and reduce costs, the COM retains ultimate oversight authority and responsibility. As in other operations, the COM should give councils latitude to innovate and make resource decisions. ICASS council decisions should not be overruled unless there are clearly compelling reasons which are well understood by the community.

6 FAH-5 H-222.1-2 Disputes

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Although consensus is the preferred method of reaching decisions, in the event of a dispute between the service provider and the council regarding a proposed action, the chief of mission (COM) will make the determination. If the council or an agency disagrees with the COM's decision, the matter may be appealed through the ICASS Service Center to the ICASS Executive Board

in Washington, DC.

6 FAH-5 H-222.1-3 NSDD-38 Issues

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The chief of mission (COM) is responsible for the administration of NSDD-38 staffing procedures for all agencies at post. The NSDD-38 process is intended primarily as a policy screen, not a resource screen for adding or deleting positions at post. The approval of position gains or losses should be closely coordinated with the management officer to assure that resources are adequately planned and obtained. All administrative support costs for new positions may be covered under ICASS. The ICASS software provides a worldwide methodology for calculation of position gains and losses and their effect on ICASS funding and positions at post. Requests for funding of new positions or reductions in invoicing for removed positions under the NSDD-38 invoice process may only be submitted to the ICASS Service Center at designated times of the year.

6 FAH-5 H-222.2 Deputy Chief of Mission (DCM)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The deputy chief of mission (DCM) works directly for the chief of mission (COM) and assumes those duties during the COM's absence. The DCM is a nonvoting member of the ICASS council representing the ambassador and attends all ICASS meetings. The DCM works to assure that ICASS performance, budgets and priorities are compatible with mission performance plan objectives of the U.S. Government. The presence of the DCM on the council represents post management's commitment to ICASS and its role as a change agent in streamlining administrative operations and reducing costs. The DCM should keep the ambassador informed on ICASS matters.
- b. Recognizing the possible limitations imposed by minimal staffing and unique conditions that prevail at some of our smallest posts, the DCM may participate, on an exception basis, as the State representative on the council contingent upon the approval of the Washington, DC Interagency Working Group. Requests for an exception are to be submitted to the ICASS Service Center (RM/ICASS) including a justification describing the "unique circumstances" supporting the request.

6 FAH-5 H-222.3 Post ICASS Council

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The post ICASS council is key to making ICASS work at post. The council as established by the charter exercises oversight and leadership in its installation of the ICASS infrastructure and the administration of the ICASS system.

6 FAH-5 H-222.3-1 Who

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Composed of agencies' senior representatives at post or their designees. locally employed staff, while not allowed to be members, can be allowed to attend and participate ad hoc at the discretion of the ICASS council. The intent is to have the highest level of representation from each participating agency. Representation on the council as a voting member is determined by meeting **all** of the following criteria:
 - (1) Senior representative or designee of an organizational entity at post;
 - (2) Recipient of a separate ICASS bill:
 - (a) An autonomous organization administering multiple funds is entitled to only one seat on the council;
 - (b) A separate ICASS agency billing code is not automatically an entitlement to a seat on the council;
 - (3) Signatory to the standard ICASS charter and memorandums of understanding (MOUs).
- b. Membership on the local ICASS council is not restricted to those agencies/organizations that are traditionally thought of as a "permanent" presence at post. Autonomous organizations that may be in-country for a limited or specifically defined period (several months to a year or two but not a very short period of a few days or weeks) may subscribe to and pay for services and through this participation be qualified to serve on the local ICASS council should they so choose. As a general rule, separate individuals and very small groups that are in country on a temporary/nonpermanent basis would not be members of the local ICASS council but they could opt to have their interests represented by a council member but with no added voting power. For example, the senior military official could represent the interests of a military personnel exchange program (PEP) officer who is in country for a year to attend the

host nation's military command and staff college.

- c. In addition to the above criteria, the post council should ensure that representation on the council reflects the ICASS policy of giving all participating agencies an equal say regardless of their numbers or monetary contributions. That said, the council, in the spirit of fairness and collegiality, should guard against allowing a particular agency or group undue influence because of fragmented funding arrangements.
- d. ICASS councils should assure that means are developed to consider the interests of constituent posts (e.g., consulates) in the formulation of council decisions. Constituent posts are not entitled to ICASS council membership, although agencies at constituent posts, not represented at the embassy, are entitled to council membership.
- e. All heads of U.S. Government ICASS service-provider operations participate in the ICASS council as nonvoting members. These individuals should attend all council meetings except for sessions discussing their service performance as determined by the council chair.
- f. Heads of U.S. Government agency-provider operations overseeing provision of particular services may be designated by the senior representatives of their agency as voting council representatives for agencies, but cannot sit as voting members for discussion of those services. Another representative of the service-provider agency may be designated to vote on the service issue in such cases.
- g. Refer any questions concerning representation to the ICASS Service Center (RM/ICASS).

6 FAH-5 H-222.3-2 Oversight of ICASS Council

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

As with all mission operations, the activities of the ICASS council fall within the chief of mission's authorities.

6 FAH-5 H-222.3-3 Leadership of ICASS Council

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The ICASS council is led by a chairperson elected annually from among participating agencies. An acting chair may be appointed or elected from the council membership, in the absence of a chair. The chair is responsible for facilitating the meetings, for ensuring that strategic objectives are set for the council, and for assuring that a service vision is developed. The chair's duties will include agenda setting, convening of council meetings, and

ensuring that minutes of proceedings are maintained. The chair should strive for a team approach with the council and the service provider in addressing issues. Follow-up of recommendations, decisions, appeals, and tasking of service providers is also expected. The chair has responsibility to ensure that a consensus memorandum of provider performance is written.

6 FAH-5 H-222.3-4 ICASS Council Responsibilities

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The ICASS council provides proactive leadership.
- b. The ICASS council acts as 'agent of change' by reshaping the workforce, streamlining systems, reducing costs, improving services, and, in general, seeking innovative and better ways of conducting business.
- c. The ICASS council adopts a standard charter.
- d. The ICASS council selects the service provider.
- e. The ICASS council determines services to be provided and at what level (for example, workload count modification).
- f. The ICASS council defines specific service standards of performance in consultation with service providers, serviced organizations, and customers.
- g. The ICASS council establishes the budget for post ICASS operation, evaluating cost and staffing alternatives as necessary. In this process the council gives appropriate attention to internal controls of the service provider.
- h. The ICASS council monitors service performance and cost and requires changes if necessary. The council is not involved in day-to-day operations of the service provider, but concentrates on overall performance against agreed standards. Management counselors, executive officers, etc., perform their traditional role as head-of-service provider operations.
- i. The ICASS council provides an annual written assessment on the quality and responsiveness of the services furnished by the service provider to the customer, using the agreed upon service standards as the performance yardstick.
- j. The authority of the ICASS council to establish priorities and adjust service in the security area, unlike other ICASS cost centers, is circumscribed. Since the post security program is maintained in accordance with worldwide policies established by the Overseas Security Policy Board (12 FAM 022) in Washington, DC, including the establishment of threat levels and minimum guard requirements, the ability of the local ICASS council cannot change security standards at

post. Members of the ICASS council should, however, include regional security office (RSO) ICASS services in annual surveys, participate in the development of service performance standards, and participate in the solicitation technical evaluation process for selecting a local guard contractor. Should changes to the local guard program and security staffing appear necessary, the RSO contacts the Bureau of Diplomatic Security for review and modification.

- k. The ICASS council resolves disputes between participating agencies and service providers, or refers disputes to the chief of mission for resolution. Issues not resolvable at post may be appealed to the ICASS Executive Board (IEB) by the chief of mission, post council, or by any participating agency through its headquarters office.

6 FAH-5 H-222.3-5 Annual Assessment

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. As part of the accountability and feedback process, the ICASS council chairperson, in consultation with the council members (voting), prepares a comprehensive assessment memorandum for each service provider commenting upon the overall performance of the supervisor and the support provided in each of the service areas:
 - (1) For example, if the State Department is the service provider in ten areas, a single assessment would be prepared addressing the overall performance of the management counselor/officer in meeting the customers' needs and commenting upon the quality and responsiveness of the services provided for each of the ten areas using the agreed-upon service standards as an objective yardstick to measure performance. The ICASS council members approve and give the consensus assessment, signed by the chairperson, to the overall service provider of operations, e.g., the management counselor/officer, with copies being provided to the deputy chief of mission and the chief of mission;
 - (2) If an agency other than the Department of State provides a service, then the head of that agency at post would receive a copy of the assessment report on the supervisor of the services provided by that agency. The timing of the assessment should coincide with the service provider's formal annual agency evaluation cycle. During the year the council chairperson should meet with the service provider supervisor at four-month intervals to discuss service performance issues. The ICASS council's annual assessment should not contain any surprises.
- b. Rating and reviewing officers are highly encouraged to consider the use of

this material in the formal agency evaluation process, but inclusion is left solely to their discretion. It is assumed that ICASS responsibilities are included in an officer's work requirements statement to reflect the support provided to other agencies. In that regard, it should be noted that the instructions for the preparation of the State Department's Form DS-1829, Foreign Service Employee Evaluation Report, state that "In discussing performance, work done for other agencies or outside the rater's personal supervision may be cited, drawing as appropriate on any evaluations submitted by the beneficiaries of the employee's work." For USAID, the council input represents an important part of the 360-degree evaluation process.

6 FAH-5 H-222.3-6 Decision-Making

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Decision-making is done by consensus. While "consensus" does mean "general agreement," this is interpreted here to mean that all parties have had a chance to air their views and can live with the result, even if they don't fully agree.
- b. In those few instances where the ICASS council is unable to achieve consensus in a timely fashion and must vote, each agency which is a party to the standard charter has one vote. In such instances a two-thirds majority of those present and eligible to vote is sufficient to decide any matter. When voting on a particular service issue, only organizations subscribing to that service should vote. Voting for another agency by proxy is not allowed. However, the local council may have to make accommodations in exceptional circumstances. The ICASS council chair and the chief of mission (COM) should be sensitive to any vote where the concerns of the major stakeholders are not sufficiently addressed.

6 FAH-5 H-222.3-7 ICASS Council Meetings

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. ICASS councils are encouraged to meet periodically and should focus on broad management issues. Minutes of meetings will be prepared, cleared with all participants, and maintained as a permanent record of proceedings.
- b. Please refer to 6 FAH-5 H-140 Effective Meetings for suggestions on conducting effective meetings.

6 FAH-5 H-222.4 Post ICASS Working Group

6 FAH-5 H-222.4-1 Role

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The post ICASS working group is an organization that may be established by the ICASS council and is strongly recommended, particularly for medium-to-large posts. The working group serves as staff to the council, drafting documents for review, studying proposals, making recommendations, and proposing meeting agendas to the full council.
- b. The ICASS working group should conduct cost and operational studies of services as requested by the council or request through the council that they be done by the service provider for the council. The working group should also take the initiative to conduct studies, keeping the council informed.

6 FAH-5 H-222.4-2 Membership

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Membership is optional but generally consists of participating agency administrative personnel and officers directly responsible for providing ICASS services. Participation of Foreign Service national (FSN) staff is encouraged.
- b. ICASS councils should involve different levels and categories of employees including FSN and other locally employed staff on the ICASS working group. Besides the added value of having knowledgeable and experienced personnel map out issues, the working group is an excellent vehicle for promoting greater involvement of the local staff in ICASS. Council members may also serve on the working group.

6 FAH-5 H-222.5 The Service Provider

6 FAH-5 H-222.5-1 Membership

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Service providers are U.S. Government agencies (or local vendors contracted by a U.S. agency) selected by the post ICASS council to provide services defined in a standardized ICASS cost center, or a portion of the services defined within a cost center.

6 FAH-5 H-222.5-2 Responsibilities

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. **Participate on council:** Heads of U.S. Government ICASS service provider operations (for example, State management officer, RSO, or USAID EXO officer) participate in the ICASS council as ex-officio, nonvoting members. In this role they manage service delivery, shape workforces, streamline systems, reduce costs, improve services and, in general, seek innovative and better ways of conducting business. These individuals should attend all ICASS council meetings except for sessions discussing their service performance, as determined by the chair. The service provider must take an active role in improving ICASS service. Heads of U.S. Government service-provider operations may be designated as voting council representatives for agencies but cannot sit as voting members for discussion of those services. In such cases, another representative of the service-provider agency may be designated to vote on the service issue.
- b. **Agreement writing:** Draft the memorandum of understanding (MOU) including the subscription of services and negotiate with the ICASS council for services assigned.
- c. **Performance standards:** In consultation with the council, prepare and implement performance standards.
- d. **Cost evaluation:** Establish costs for services, develop budget and staffing requirements and present to ICASS council for review and possible negotiation; participate in ICASS council initial, quarterly, and mid-year budget reviews and approvals.
- e. **Workload count maintenance:** Develop workload counts and provide these to customer agencies annually.
- f. **Major acquisition:** Advise and coordinate with the ICASS council on personnel or acquisition decisions having major impact on ICASS costs, such as vehicles.
- g. **ICASS report analysis:** Conduct and provide brief analyses of ICASS cost distribution reports (by the financial services provider).
- h. **Maintain quality services at reasonable cost.**

6 FAH-5 H-222.5-3 Non-State Service Provider

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The authority of the local ICASS council to select service based on quality and cost of service is key to local empowerment. The element of

competition is critical in this customer-driven system to reduce costs and improve service. ICASS councils are encouraged to take a hard look at existing services and consider the selection of other agencies that may be in a cost-effective position to provide quality service. Outsourcing should also be considered.

6 FAH-5 H-222.5-4 Competition Among U.S. Government Service Providers

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. This section is most relevant to those posts where there is a reasonable expectation that multiple U.S. Government agencies will compete to be service providers. For those posts where it is unlikely that competition will arise among potential U.S. Government service providers, there is no need to draft additional procedures. Should circumstances change and more than one U.S. Government agency has the potential capability and interest in providing administrative support services, post can then start preparing post-specific procedures.
- b. Those posts that have multiple U.S. Government agencies that could provide administrative support services should establish procedures for evaluating service-provider proposals as soon as an agency signals its intention to compete with the current service provider. The objective of these procedures should be to ensure an equitable and transparent competition between competing service providers. Evaluation criteria for determining a successful bidder should be established at the onset of the competition. This subchapter provides guidelines for establishing procedures and a recommended format for submitting proposals. The ICASS council may also refer to 48 CFR Chapter 1, Subpart 15.1 of the Federal Acquisition Regulation (FAR), as a reference for source-selection processes and techniques. If the ICASS council is entertaining bids from commercial firms, it must do so in accordance with both the FAR and the proposed service-provider agency's own acquisition regulation. The council must ensure that whoever is managing that process possesses a Federal contracting warrant equal to, or greater than, the potential award or arranges for assistance from a contracting officer with a warrant equal to the award.
- c. The ICASS program is under the chief of mission's (COM) authority and the COM has a clear interest in decisions made about the provision of ICASS services. The deputy chief of mission (DCM) is the chief of mission's representative to the ICASS system. At the onset of a formal service competition, the council and DCM should confer on how best to involve the DCM in the evaluation process. This could include a role on an evaluation board, if the council decides to create one for the review of

competing proposals.

- d. To avoid conflicts of interest, senior service-provider officials for the competing service-provider agencies should be excluded from committees established to score proposals or make recommendations to the ICASS council. However, other officials from the competing agencies may participate in the evaluation process. These officials may consult with their respective senior service providers, as needed, prior to meetings of the committee.
- e. Since one of the five principles of the ICASS system is transparency, (see 6 FAH-5 H-013.3), information about the resources and practices the current service provider uses to provide a particular service are available to all customer agencies through the ICASS budget and service standards. An agency submitting a proposal to be a prospective service provider should provide to the ICASS council the same information on costs, standards, internal controls, ability to meet the national security requirements of all customers, and capacity to deliver service. **All aspects of a competing U.S. Government service provider's proposal must be in accordance with the provisions of 6 FAH-5 Exhibit H-222.5-4A Competition among US Government Service Providers.**

6 FAH-5 H-222.5-5 Other Agency Billings and Collections for ICASS Services

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Other agencies offering to provide ICASS services will cost out their proposals for ICASS council review in any manner acceptable to the council. If approved as the service provider, a memorandum of understanding (MOU) would be negotiated with the council. Charges would then be assessed for all ICASS agencies receiving the service. An advance payment may be made to the service-provider agency from the Working Capital Fund, with reimbursements collected from all customer agencies using the ICASS mechanism. The provider agency would retain the advanced funds for use in service provision. Other agencies may issue more explicit guidance for field offices contemplating performance as an ICASS service provider.

6 FAH-5 H-222.5-6 Use of Working Capital Fund (WCF) for Non-State Provider

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

When selected by the ICASS council as service providers, non-State agencies may be paid from the Working Capital Fund (WCF) for the cost of ICASS services in a manner similar to that used for payment to an ICASS commercial service provider. Since the worldwide WCF used for ICASS is established under State Department authorization, other service-provider agencies will not be able to directly charge costs to the fund, without losing agency resource identity. However, the State WCF may be used to advance funds to other provider agencies for ICASS purposes, if required. Under this provision, agencies must have reimbursement authority.

6 FAH-5 H-222.5-7 Dual-Service Providers

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. In some circumstances, the ICASS council may determine that the use of dual-service providers for the same service is the most effective means of obtaining the services required, considering span of control, geographical factors, and agency excess capacity. The same exact service will be provided by both agencies in such a case to assure equitable service provision to all customers. Where an agency wishes to offer services on a limited basis, it will advise the council accordingly. However, the agency may not pre-select agencies to which it wishes to provide services, but will instead offer the services to the council, indicating limitations to its capacity. The ICASS council will then determine to whom the services will be provided.
- b. For technical reasons, the Working Capital Fund (WCF) currently cannot be used to provide funding to a second provider of the same service. Assessments for services, in such cases, may be made either through direct charging or—where it is beneficial for the post to do so—through a contract arrangement, as described above, with the primary provider of that service. Under the latter arrangement, advantages offered by using the WCF may be realized and any savings obtained through the use of two providers will be shared by the entire post. This does not preclude agencies from making separate service arrangements with each other, but utilizing the ICASS mechanism is the preferred method.

6 FAH-5 H-222.5-8 Contract-Service Provider

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

ICASS councils selecting a contract vendor as a service provider will also select a U.S. Government contracting officer or contracting officer technical representative (COTR) to represent the council on technical review panels and as an agent in negotiating rates and establishing performance standards for the particular service. Commercial vendors will not participate in post ICASS council meetings.

6 FAH-5 H-223 KEY ICASS PLAYERS AT A REGIONAL LEVEL

6 FAH-5 H-223.1 Financial Services Centers (FSCs)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Financial services centers (FSCs) provide a full range of financial services (i.e., accounting, disbursing, cashiering, and payroll) for serviced posts in accordance with agreed-upon written standards. The FSC provides financial information to posts for review by the financial management office and other interested parties.

6 FAH-5 H-223.2 Regional Medical Officers (RMOs)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Medical services are provided at post by regional medical officers (physicians), health practitioners and/or physician assistants, regional psychiatrists, and regional medical technologists. Most medical positions abroad have regional responsibilities providing services to the home post and other posts in the region on a visiting basis.
- b. The cost of maintaining medical personnel at the sponsoring post is built into the assigned post's ICASS budget. Regional travel costs for all regional medical positions are provided by the Office of Medical Services (MED) directly to the post medical unit. Costs of maintaining medical unit facilities and any locally hired health unit personnel are included in the post ICASS budget and are managed like other management support services.
- c. The scope of the medical program abroad is defined in 16 FAM.

6 FAH-5 H-223.3 Regional Security Officers (RSOs)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Regional security officers (RSOs) report directly to the deputy chief of mission; they, like the State management officer, are an ICASS service provider. This role requires the RSO to present security ICASS budgets and attend ICASS council meetings as an ex-officio member to ensure that the Bureau of Diplomatic Security is properly represented and maintains open lines of communication with all customer agencies. For those services that come under ICASS, the RSO prepares or updates performance standards and ensures that standards are approved by the ICASS council. The ICASS council will use the performance standards in the annual assessment of RSO as service provider.
- b. Unlike other ICASS cost centers, the authority of the council to establish priorities and adjust service in the security area is circumscribed. Since the post security program is maintained in accordance with worldwide policies established by the Overseas Security Policy Board in Washington, DC, including the establishment of threat levels and minimum-guard requirements, the local ICASS council cannot change security standards at post. Should changes to the local guard program and security staffing appear necessary, the RSO contacts the Bureau of Diplomatic Security for review and modification.

6 FAH-5 H-223.4 Other Regional-Service Providers

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Regional-service providers exist at a number of large posts around the world to provide support to smaller posts or expertise in technical services. Regional providers generally enroll in ICASS services at their host post.

6 FAH-5 H-224 COUNCIL RELATIONSHIPS WITH PROVIDERS

6 FAH-5 H-224.1 Team Approach

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The ICASS council is a significant element in the post management team; it is useful to address separately how it does and does not interact with the providers. Primarily, the ICASS council is empowered to proactively and

creatively pursue better ways of doing business at post. Specific authorities of the council are listed in 6 FAH-5 H-222.3-4 ICASS Council Responsibilities. However, it is essential that the council function as a team with the active participation and partnership of the service providers to achieve improvements. Service providers will often be the largest resource customer for ICASS services and thus the largest beneficiary of reduced costs and improved service. **The council and providers together share the responsibility and accountability for achieving the most cost-efficient and streamlined-quality administrative services at post.**

6 FAH-5 H-224.2 Council Empowerment

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Customer agencies, as stakeholders with a greater voice in the management of shared administrative services, are empowered collectively to seek innovative ways to reduce costs and improve services. To these ends, the ICASS council may streamline administrative processes or reshape the administrative workforce. Decisions might include downsizing, delayering, and flattening of the staff organization; use of qualified local hire specialists in lieu of higher-cost U.S.-based staff; and alternative agency or contract-service providers. The ICASS councils may also consider use of the services of U.S. embassies and agencies in other countries where costs are lower.
- b. These decisions should be formed in close consultation with the service providers, and in light of management or cost studies developed by or at the request of the ICASS council. Rather than focus on the cost of all services at one time, ICASS councils may wish to consider cost and staffing reviews which examine an individual cost center. To facilitate this process, the service provider will be expected to provide the ICASS council with financial breakdowns, staffing patterns, and operational studies, as requested.
- c. Since the decisions are forged in consensus or reflect the sense of a large majority of the customer community, they should be implemented expeditiously except for clearly compelling reasons, well understood by the post community.

6 FAH-5 H-224.3 Avoid Micromanagement

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. ICASS councils are empowered as change agents, and in collaboration with the service providers, are expected to push administrative quality,

competitiveness, and cost efficiencies to the maximum feasible for the benefit of all customers in the mission.

- b. However, councils should avoid micromanagement of service-provider activities. The ICASS council is not intended to serve as supervisor of the administrative service provider in the day-to-day details of operations. The council chairperson and ultimately the chief of mission have a particular responsibility to ensure that ICASS council authorities, empowerment and accountability do not divert the council from its principal focus, i.e., broad management issues.
- c. **Mutually established performance standards are critical to the avoidance of micromanagement by the council.** If quality and responsiveness criteria established in the standards are regularly met by the provider that is the definition of “customer satisfaction.” Although there should be continuous scrutiny of cost alternatives, carefully considered standards are key to establishing clear communication and collaboration by the ICASS council and the provider as an effective management team.
- d. Also, in exercising ICASS council authorities to reshape the workforce, it is important to note that the service provider alone retains authority to establish salary and other hiring qualifications of authorized positions. ICASS councils do not make individual assignments either of career or local-hire staff. **Internal controls and regulations of the service provider and customer agencies apply in the administration of cost centers.**

6 FAH-5 H-224.4 Council Oversight of Local Guard Program

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Unlike all other ICASS cost centers, the authority of the council to establish priorities and adjust service in the security area is circumscribed. Since the post security program is maintained in accordance with worldwide policies established by the Security Policy Board in Washington, DC including the establishment of threat levels, minimum guard requirements, etc., the local ICASS council cannot change security standards at post. However, the council should raise customer concerns regarding the performance of the local guard force. Any changes in local guard program staffing must be approved by the Bureau of Diplomatic Security (DS). A representative of the ICASS council can and should participate in the technical evaluation of the contractor selection process. Performance standards mutually established by the council and the service provider should be upheld.

6 FAH-5 H-224.5 Relations with Housing Board

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The ICASS council does not supersede existing administrative authorities as exercised by the post housing board under 6 FAM 720.

6 FAH-5 H-224.6 Change at Post

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. The introduction of **empowered local councils** and the emphasis on **customer service** represents a major culture change in ways of doing business at post. Although ICASS participation by each agency for each service is voluntary, council members and agencies are expected **to share ideas** for improvements with the entire ICASS mission team. Rather than simply withdrawing from an ICASS service to take advantage of better or cheaper service, agencies should bring the alternative to the attention of the full ICASS council for consideration by all agencies. Factors such as the effect on career staffs or economies of scale can then be considered mission-wide.
- b. Another change is that service provider costs are not a “given.” For example, if a major customer withdraws from a service, costs to other agencies should not automatically rise. The ICASS council and provider team will want to look at workforce needs, given reduced service demand.
- c. The management counselor/officer has **broadened accountability** in this customer-driven system. While still reporting to the deputy chief of mission (DCM) or chief of mission (COM) for day-to-day operations and evaluation purposes, this officer has a shared accountability to serviced customers represented in the ICASS council. Although an ex-officio, nonvoting council member, the management counselor/officer must attend all sessions, except discussions covering their personal performance, and play an active role in the deliberations and workings of the ICASS council. Council representatives have an oversight and evaluation role in the performance and support of the embassy management counselor/officer, support officers and other service providers.

6 FAH-5 H-225 THROUGH H-229 UNASSIGNED

6 FAH-5 EXHIBIT H-222.3-5 SAMPLE ANNUAL ASSESSMENT CALENDAR

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

A successful post where ICASS is a true partnership between an active, effective ICASS council and service provider(s) will go beyond the minimum requirements presented in this subchapter. At these posts, the emphasis will be on the team, working together to improve conditions for the community as a whole. Drawing on the experience of not-for-profit and private-sector models, the following calendar suggests steps posts might take to enhance ICASS. The optional calendar below tracks the budget schedule in rough terms, albeit from a different perspective.

1. **Establish a Plan:** (Third Quarter of Fiscal Year) Unless you know where you are going, it is difficult to assess if you actually got there. Some of the best posts follow a STAR, creating plans that are (S) Short, (T) Targeted, (A) Agreed To, and (R) Realistic. Such plans might identify post goals from the Mission Performance Plan, challenges, areas for improvement, proposed innovations, and without question, the three unfunded priorities the post will specify in its upcoming budget submission. The ICASS council meeting addressing the fiscal year's final budget target and mid-year review is an excellent time for council members and service providers to discuss and agree on joint goals for the following fiscal year. Getting a clear statement of council support in the minutes of the mid-year review meeting will reduce uncertainty for the service provider during budget preparation and should expedite council approval of the budget early in the next fiscal year. A realistic plan also will have clear benchmarks which will allow both partners to assess how well they are doing on implementation at specific (monthly or quarterly) intervals so adjustments can be made in time to maximize effective implementation.
2. **Review Service Offerings and Performance Standards:** (Fourth Quarter of Fiscal Year) Once the ICASS council and service provider agree to a realistic plan, it is a good idea to check the service offerings and performance standards and ensure they are consistent with the plan. ICASS is voluntary for nearly all cost centers. Consequently, in the spirit of partnership, customers will signal to service providers where they want more, or less, of a service. Service providers, for whom ICASS also is voluntary, will tell customers where they propose to offer a new service, expand an old service or discontinue/scale back a traditional service due to

lack of capacity or some other reason. An annual, high-level review of the contractual relationship by both partners is a healthy exercise that should not be time-consuming at posts with functioning partnerships and stable demographics. Some posts find that a “rolling review” of performance standards is an acceptable way to balance the workload. They identify 25% of the performance standards for an in-depth examination each year, allowing them to scrutinize every standard over the course of a four-year period. Others focus attention on standards where performance deviated significantly from the standard or where the amount of money involved is substantial. Regardless of the individual post approach, it is a good idea for the council and service provider also to review at least some of their standards annually. At least one post has used successfully a summer intern to staff much of the performance standard review.

3. **Synchronize the Budget:** (First Quarter of Fiscal Year) An effective council/service provider partnership will approve a budget in the fall that is consistent with agreements reached on the joint plan, the top three priorities for additional funding, the service offerings and the performance standards.
4. **Conduct an Assessment:** (Second Quarter of Fiscal Year) For successful partnerships, an annual assessment is a short synopsis that recaps the results of a year-long team effort. ICASS councils are supposed to meet quarterly. Quarterly meetings are an ideal time for councils and service providers to discuss accomplishments, challenges or shortfalls. Oral reports, adequately documented in council meeting minutes, will suffice for many posts. Council chairs may find it useful to meet separately each quarter with the senior service provider(s) to discuss issues best dealt with in private. The goal is to eliminate surprises when it comes to the annual assessment. To ensure focus remains concentrated on improvement and teamwork, some not-for-profit and private-sector entities utilize multiple instruments for their annual assessments. Typically they might assess the council’s own performance (Did the council meet its own goal of holding quarterly meetings? Did all members attend 80% of the meetings? Did the council stand behind tough decisions? Did council members operate in a transparent, collegial and proactive manner?), service provision from the consumer’s perspective (Did customers get service according to the performance standard? Do customers have unmet needs? Are there services customers no longer need?), service provision from the bill payer’s perspective (Is the bill payer getting service according to the performance standard and does it provide value for money? Are there services the bill payers want more of?

Are there services they value less highly which should be looked at for re-engineering or phasing out?) and from the service provider's perspective (Are there unrealistic standards that can't be met given the resources available? Are customers making demands outside or beyond the agreement? Are there areas we would like to expand or improve? Are there services that are no longer cost-effective to offer?). Not every post will want to or need to copy this model or use every instrument every year. Some posts, however, might find a structured approach of this type helpful for periodically checking ICASS vital signs.

5. **Incorporate Feedback into Plans for the Coming Year:**
(Second Quarter of Fiscal Year) Even if a post does nothing more than the obligatory assessment memorandum and service provider evaluation of compliance with service standards, incorporating the feedback or "lessons learned" from that process into the formulation of plans for the coming year is the most important (and often overlooked) activity a post could undertake. Unless we learn from our experience, we may not capitalize on our accomplishments, may repeat our mistakes, and may prolong our shortcomings. If post successfully re-engineered a process and saved money by doing so, how will it invest the funds? Are there other, similar processes where the re-engineering success could be duplicated? Are there areas where performance does not meet standards and will need additional management attention and/or resources? Can additional training help close the gap? Do customer expectations exceed bill payer willingness/ability to fund administrative support (a common phenomenon in the private sector!)? If they do, how will bill payers deal with customer expectations? These are but a few examples of points that could arise in an annual assessment that post would do well to factor into plans for the coming year.

6 FAH-5 EXHIBIT H-222.5-4A

COMPETITION AMONG U.S. GOVERNMENT SERVICE PROVIDERS

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

- a. **Receiving and evaluating proposals to provide ICASS service:** In developing policies and procedures for receiving and evaluating competing ICASS service proposals, the ICASS council must assess the capacity and intent of providers submitting competing service proposals, decide whether to extend an invitation to commercial sources, establish time lines, and ensure that its actions are consistent with the ICASS principles of equity and transparency. The process, which follows, provides a recommended means of addressing key points in the selection of a competing provider of ICASS service. It suggests requesting information from the prospective provider, and if necessary from the current provider, in phases to ensure that critical issues are addressed at logical points in the process to avoid causing the prospective provider, the current provider, or the council to perform unnecessary work.
- b. **Identification of services subject to competition:**
 - (1) Immediately after a potential service provider expresses intent to compete for a service, the competing parties will meet with the post ICASS council chair or designee to look at the cost center(s) in question. The parties will collectively examine all of the services contained in those cost center(s). Where one service provider or another is not capable of providing all the services in the cost center, the parties will discuss how to deal with continued provision of those services;
 - (2) There may be instances where services provided in one cost center are closely related to services in other cost centers. Should a potential service provider compete for a cost center that does not cover the entire business process(es), the parties must identify how they will treat the remaining elements of the business process(es);
 - (3) Where the parties agree on which services will be competed and how the entire business process(es) will be covered, the post ICASS council chair will document this in writing with copies provided to members of the post ICASS council, senior representatives of the competing service providers and the deputy chief of mission (DCM);
 - (4) Where an agreement is not possible, the chair should notify all members of the post ICASS council, including the DCM, that an

impasse has been reached. The post ICASS council will need to decide whether it should specify the services under competition and continue the process.

c. Approval of a service provider competition:

- (1) Upon receiving advice from a prospective competing service provider that it wishes to provide ICASS service, the ICASS council must gauge the provider's intent and capacity. As a preliminary step, the council might require the provider to submit a letter of intent clearly identifying those services it proposes to provide. The letter of intent should also cite its legal/regulatory authority to provide such services abroad, including its authority to collect and retain reimbursements from other agencies. The initial letter of intent should not be a detailed technical or price proposal, but should indicate, in addition to services on offer and legal/regulatory authorities, whether the prospective provider has the capacity and intention to offer ICASS services to all agencies at post. The council can use receipt of a letter of intent to develop written guidance on its proposal evaluation process, if it doesn't already have such guidance. The ICASS council should make a determination upon receipt of the letter of intent whether it wants both a technical and a cost competition or just a cost competition. If a technical competition is desired, the council may then choose to create an ad hoc technical review board to evaluate the qualitative aspects of the competing provider's proposal against the current service arrangement;
- (2) If the letter of intent indicates that the prospective provider does not have the intention or capacity to offer services to all ICASS customers, the council must determine whether it can justify the duplication of ICASS services. If its decision is in the affirmative, it must obtain the approval of the chief of mission prior to proceeding with the solicitation and selection process;
- (3) The council should ask the current service provider to submit a memorandum responding to the letter of intent. The memorandum should contain the following elements:
 - (a) Confirmation of the current service provider's willingness to compete for the service and to continue providing the service to agencies other than itself if the council elected to remain with the current service provider;
 - (b) An explanation as to the steps the current service provider would take to terminate service if the council selected another provider to deliver the services under review. The memorandum should address staffing actions, costs

associated with terminating a service, and any other relevant factors;

- (c) A review of the services the prospective provider proposes to offer and a determination whether any of them, in whole or in part, require Department of State action or authority; and
 - (d) An impact statement addressing whether a change in service provider would cause inefficiencies on the current service provider's operations, especially where the service offered is limited to selected functions within a cost center that contains a range of services (e.g., separating leasing and building operating expense services for the same real property, splitting warehousing and inventory services offered in the nonexpendable property management cost center);
- (4) The council or its technical review board should review information provided in the current service provider's memorandum and determine its effect on the prospective provider's proposal. It should then determine whether to go forward with a formal competition, and whether to seek commercial sources to submit proposals for the services under consideration as well;
 - (5) After reviewing a prospective provider's initial letter of intent, with the assistance of a technical review board, as appropriate, the ICASS council must determine how and on what schedule it will request, review and reach a decision on a formal proposal. The council should take whatever action is necessary to ensure that any U.S. Government agency submitting a proposal and the current service provider have received the same information about the process, the schedule, and the selection criteria.

d. Conducting a technical review:

- (1) Based on an assessment of the prospective provider's offer on the current provider's services, the technical review board must decide if it can evaluate the prospective provider's proposal on its own using the current service provider's existing memorandum of understanding (MOU) and services as the basis for comparing the two providers. If the impact on the current provider's services is significant, the board might have to request a proposal from the current provider for the same services the prospective provider proposes to offer, as well as those other services substantially affected by the services the prospective provider has on offer. In the event that council deems it unnecessary for the current service provider to provide a formal proposal, it must nevertheless advise the current provider that it may provide a formal proposal if it so desires;

- (2) Requesting a technical proposal: Once the council has addressed the foregoing points and determined that it is in the interest of the ICASS program to pursue the alternate provision of the services offered by the prospective provider, it may elect to require the prospective service provider to specify in detail the manner in which it intends to provide service and its capacity to do so. A logical step in that process is to ask the prospective provider to provide a **technical proposal** that clearly defines the terms and conditions of its offer and the standards to which it will provide services. The technical proposal is a qualitative description of the offer rather than a financial exposition. The ICASS council and the prospective provider must agree on what will be delivered and how, before the provider can attach a realistic price tag to its offer. The technical proposal may consist of the following documents:
- (a) **A draft memorandum of understanding (MOU)** which uses the post's existing ICASS MOU(s) as a model. Among other things, the MOU will specify the date from which the agency is prepared to assume responsibility for the ICASS services it proposes to provide and will further state whether the agency proposes to provide service for a limited period of time or is prepared to provide services indefinitely. The MOU, like the initial letter of intent, should specify the prospective provider's legal and regulatory authority to provide the service(s) it is proposing. If an agency's authority to operate at post is restricted in terms of time or function in a manner that could affect its ability to provide service on a continuing basis, this must be reflected in the MOU;
 - (b) **Draft service standards.** The proposing agency will provide, as an attachment to the MOU, service descriptions, standards, and measures for the services for which it is submitting its proposal. (**NOTE:** If, in the process of considering a prospective provider's proposal, the ICASS council has decided that it wants to receive service at a level different than that reflected in the current standards, it must specify the desired standards and provide copies to both prospective providers and the current service provider.) The proposed service descriptions, standards, and measures should be written in accordance with 6 FAH-5 H-213.6, Developing "S M A R T" Standards;
 - (c) **A resource memorandum** which identifies the personnel, real property, and capital resources the agency will use to deliver the services on offer. The prospective provider need not provide costs for these resources at this point in the process. The prospective provider should include in the

memorandum all personnel who will spend any portion of their time supporting the delivery of ICASS services. For each employee identified, the prospective provider will provide information as to the individual's qualifications. The resource memorandum should also specify how the proposed provider would accommodate, where necessary, the internal controls, national security, and other concerns of specific service recipients;

- (d) A **transition plan** that describes in detail how and on what time schedule a competing service provider, if selected, will assume provision of services from the current provider. If a prospective service provider proposes to deliver only some of the services in a cost center, its transition plan must reflect that it has held discussions with the current service provider or a third source and explain who will deliver other services in the cost center and on what basis (e.g., as a sub-contractor of the competing service provider, as a sub-cost center provider). Transition plans covering cost centers with locally employed staff should state the prospective service provider's plans for existing staff. Where the prospective service provider's plans do not include the continued employment of all or some of the existing staff, the transition plan must reflect discussions with the current service provider about accommodations for those employees;
- (3) Evaluating the technical proposals: The technical review board will review all prospective provider technical proposals and, if one has been submitted, the current service provider's. If the current service provider has not provided a technical proposal, the existing MOU and service standards will serve as the technical review board's point of comparison in assessing the prospective provider's proposal. The board should seek to answer the following questions:
 - (a) Does the technical proposal contain all required elements? Is it consistent with documents submitted by the current service provider, competing providers or the post's current MOU and standards?
 - (b) Does the information contained in the documents demonstrate that the prospective provider has the capacity to provide the service on offer without risk of failure and, at a minimum, according to current post standards?
 - (c) Does the prospective provider's proposal reflect any limitations of time, function, or capacity that should be of concern to the ICASS council? Where the service the prospective provider proposes to deliver differs from that

which ICASS customers now receive from the current service provider, it is important for the board to bring that fact to the attention of the ICASS council when making its recommendation in connection with the prospective provider's proposal;

- (d) If the prospective provider proposes to provide only certain services within a cost center, does the proposal (in the MOU and/or transition plan) make it clear who will provide the other services in that cost center and under what arrangement?
- (4) If the information provided in all technical proposals is insufficient to make a determination as to adequacy of capacity and the relative merits of the competing providers, the board may schedule hearings to ask questions of those who have submitted proposals. Generally, accepted practice is to meet with none or all of those submitting a proposal. To meet with some, but not all, prospective or current providers could lead to charges that the selection process has not been transparent and equitable;
- (5) Approving and ranking technical proposals: For purposes of final selection, the board should rank-order competing service providers based on an objective set of criteria that it has defined prior to assessing the technical proposals. These criteria might include staff knowledge of and experience in a specific service process, adequacy of resource base, clear operational authority, and any established performance record. The board can evaluate the current service provider according to its existing MOU and service standards or on the basis of a new technical proposal. The board should advise the council of its determination, and if the council concurs, it should advise the affected providers.

e. Requesting a cost proposal:

- (1) Once the ICASS council has accepted the technical review board's recommendation with regard to the technical proposals, the council will require a **cost proposal** from each provider whose proposal has been approved by the board. At this point, it will again be necessary for the council to determine whether the current ICASS budget and supporting materials are an adequate basis on which to compare the current service provider to a prospective provider. If this is not the case, it will request both prospective providers and the current service provider to submit cost proposals;
- (2) It is crucial to both the integrity of the selection process and the viability of ICASS service arrangements that all cost proposals from U.S. Government agencies be prepared in the same way, including

- all of the cost categories that the current service provider uses to develop the ICASS budget and invoices. If a prospective provider neglects to build in all of its costs of providing an ICASS service, direct and indirect, chances are high that the provider will soon discover that it is not possible to deliver the service on a sustained basis at the cost reflected in the cost proposal. **NOTE:** Methods of costing a commercial proposal differ somewhat from those for U.S. Government agencies providing services on a reimbursable basis, and the council should be guided by a warranted contracting officer in such cases;
- (3) The best way to ensure that all U.S. Government agencies submit cost proposals that include identical cost categories and enable the ICASS council to compare “apples to apples,” is to insist that all prospective U.S. Government agency providers submit their proposals as draft ICASS budgets, using the ICASS counting rules, cost classification rules, and budget and cost distribution software;
 - (4) Developing a cost proposal: This section provides a general description of how to use the ICASS budget and cost distribution software to develop a cost proposal. Agencies proposing to provide ICASS services should refer to the step-by-step procedures available under “Prospective Service Provider Proposal Budget” on the ICASS websites when preparing their cost proposals:
 - (a) The agency will calculate and enter into all relevant sub-object fields in the software the full cost of its administrative operation, including the cost of ICASS services and commercial contracts used to support its agency’s administrative staff. “Full,” for the purposes of developing the cost proposal, will be defined as all costs an agency incurs in providing administrative services to itself or other agencies, including, but not limited to, personnel, real property, personal property, utilities, supplies, fuel, and other administrative resource costs. The agency should include costs paid at the post level, as well as costs that might be paid centrally, such as American salary costs. The ICASS software will not attribute all of these costs to the delivery of ICASS services, but it is necessary to enter all costs in order to distribute that share of administrative overhead which is attributed to the ICASS service(s) provided. When entering costs into the ICASS software, agencies must include any start-up costs they will incur;
 - (b) The agency will allocate the time of each of its administrative staff members to either non-ICASS activities or the specific ICASS services which it proposes to provide. To do this the

agency will use a facility for that purpose in the ICASS software. The only allocation relevant to the competing service provider proposal will be that which is attributed to the ICASS cost center(s) for which the agency is proposing to provide service. All time for non-ICASS activities should be allocated to a catch-all cost center (e.g., Basic Package) for the purpose of the proposal. In that way, it will not influence the cost of the ICASS service(s) the agency proposes to deliver;

- (c) The agency will use the workload figures from the post's most recent ICASS budget proposal as the basis for entering workload into the budget it develops for its proposal. If the agency was not signed up for the ICASS service(s) it now proposes to provide, it should include its own workload in the proposal budget and make proportional adjustments to the figures it obtained from the most recent ICASS budget proposal. The agency will only enter serviced agency workload in those cost centers for which it proposes to offer service;
- (d) The agency will distribute overhead costs attributable to the services it proposes to offer among the hypothetical subscribers in its proposal budget in accordance with the ICASS methodology. Overhead refers to costs that the agency incurs in the delivery of ICASS services that cannot easily be attributed to a specific cost center. Those costs are spread to all agencies receiving service based on their percentage of the cost of total services delivered by that provider;
- (e) The agency will also distribute among the hypothetical subscribers in its proposal budget the estimated cost of the ICASS services it offers which are consumed by its own ICASS employees (i.e., those providing an ICASS service). ICASS redistribution costs are spread to all agencies receiving service based on their percentage of the cost of total services delivered by that provider plus distributed overhead;
- (f) Based on the input of costs, time allocations and workload, as noted, the ICASS software will produce the agency's proposal budget, reflecting the annual cost of those ICASS services it proposes to deliver. It will also produce hypothetical invoices for each hypothetical customer agency. The budget, invoices and the following five reports will constitute the agency's cost proposal:

- Budget Detail by Cost Center and Object (Cost Center(s) of the service(s) proposed)
- Time Allocation Worksheets for LES, DH Americans, and Other Budget Items
- Workload Summary
- Invoice Detail by Cost Center and Agency (Cost Center(s) of the service(s) proposed)
- Budget Summary Worksheet

f. Evaluating the cost proposals and selecting a service provider:

- (1) Upon receipt of all cost proposals, the ICASS council (or a committee thereof) must review each and decide which service provider will best meet the needs of all customer agencies. Competing service staff senior officials should be excluded from these deliberations, although other staff from the competing agency may participate in discussions and consult with the senior service providers prior to the council (or committee) meeting. ICASS council representatives from the competing agencies may not vote on final service provider selection to avoid a conflict of interest;
- (2) The ICASS council should ensure that all proposals from U.S. Government agencies are complete and have been submitted in accordance with instructions. The council should be fully confident that U.S. Government agencies have calculated the same costs in the same way for any particular service, preferably utilizing the ICASS software format and procedures presented in this section;
- (3) In reviewing competing service proposals (technical proposals and rankings in conjunction with cost proposals), ICASS council members must consider information provided by the current service provider with regard to actions and costs associated with terminating a service;
- (4) In addition to costs associated with the current provider's termination of a service, the ICASS council must carefully consider any start-up costs a new provider will incur and ensure that the prospective provider's cost proposal has included and identified these costs;
- (5) The cost proposals make assumptions about agencies which will sign up if a new provider is selected to provide an ICASS service. The ICASS council must make every effort to test these assumptions. If, for instance, the current service provider chooses to service itself rather than obtain service from a new provider, economies of scale could be significantly altered and agencies remaining in the customer pool for that service could find themselves paying substantially more;

- (6) ICASS council deliberations should weigh both the costs and the qualitative aspects of competing proposals, taking into consideration the ranks assigned to the technical proposals by the technical review board. The council should be especially attentive to factors that could affect assured, sustainable service. Some examples are cost proposals that do not appear to include all costs a provider will incur or technical proposals which seem to dedicate too few resources to delivery of an ICASS service based on the service standard specified. These are critical considerations. Councils should anticipate that a current service provider will eliminate whatever capacity it has to provide service to other agencies if another provider is selected. If the winning provider finds that it cannot provide assured, sustainable service, it is unlikely the former provider would be able to step back in to pick up the service without a significant transition period;
- (7) The ICASS council should make its final decision in a formal meeting with minutes that document the basis on which it has made its selection. Prior to formally notifying all competing service providers, the council will meet with the chief of mission (COM) to ensure that the COM has no overriding objections to the change in service providers;
- (8) The ICASS council will advise all competing service providers of its decision with regard to the services under review. Where the council's decision involves a change of service providers, it will commence discussions with the current service provider and the future provider on a time schedule, to include whatever obligatory notice periods apply in accordance with this handbook. See 6 FAH-5 Exhibit H-222.5-4B Checklist for Competition among US Government Service Providers to assist in this process.

6 FAH-5 EXHIBIT H-222.5-4B

CHECKLIST FOR COMPETITION AMONG U.S. GOVERNMENT SERVICE PROVIDERS

(CT:ICASS-5; 07-21-2006)

- ☒ Prospective service provider (PSP) submits Expression of Interest to ICASS council.
- ☒ Council Chair and competing parties meet to review targeted cost center(s) and impact on the business process(es).
- ☒ PSP submits Letter of Intent to council which includes:
 - service(s) it proposes to provide;
 - legal/regulatory authority to provide the service(s);
 - legal/regulatory authority to collect and retain reimbursement from other agencies; and
 - a statement of capacity and intent to offer service(s) to all agencies at post.
- ☒ Council decides on type of competition. (Ref. 2(a))
- ☒ Council establishes Technical Review Board (TRB), if technical proposal is required.
- ☒ Council obtains chief of mission (COM) approval for proposals creating dual service providers.
- ☒ Current service provider (CSP) prepares written response to Letter of Intent which includes:
 - its willingness to compete and continue services to agencies other than itself, if ICASS council elects to stay with CSP;
 - steps to terminate the service(s) if the council selects another provider;
 - identification of proposed service(s) which—in whole or part—require Department of State action or authority; and
 - an impact statement on inefficiencies created by change in service provider.
- ☒ Technical Proposal(s), if required, are submitted for TRB review and include:
 - memorandum of understanding (MOU) using post's existing ICASS MOU as model;
 - draft service standards;
 - resource memorandum; and
 - transition plan.
- ☒ TRB evaluates Technical Proposal(s) for:
 - all required elements;
 - PSP capacity to provide services at a minimum according to current post standards;

- PSP limitation of time, function, or capacity that might be of concern to ICASS council;
 - whether PSP will provide only partial services and, if so, who will provide other services;
 - whether hearings are required with competing providers; and
 - approving and ranking.
- ☒ Council requests Cost Proposal(s).
 - ☒ Council evaluates and selects service provider based on Technical and Cost Proposals and obtains COM approval.
 - ☒ If new service provider, ICASS council will commence discussion of hand-over procedures with current and future service providers.